



STATE OF WASHINGTON
DEPARTMENT OF COMMUNITY,
TRADE AND ECONOMIC DEVELOPMENT

Washington State

2007 Action Plan

HUD Funds Administered by CTED



Downtown Cathlamet Washington

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Department of Community, Trade and Economic Development

906 Columbia Street SW ◆ PO Box 42525 ◆ Olympia, Washington 98504-2525

PART II – PROGRAM ACTION PLANS



Mitchell Avenue Senior Apartments
Silverdale, Washington
Kitsap County Consolidated Housing
Authority.

Photo Courtesy Housing Division/CTED

PROGRAM ACTION PLANS

2007 HOME Investment Partnership (HOME) Program

The 2007 HOME Program will be designed to address the five-year Strategic Housing Plan overall priorities: very low-income renter and homeowner households earning 50 percent (50%) of median family income or less; transitional or supportive housing projects serving people who are homeless or who have special needs; low-income first-time homebuyers and very low-income first-time homebuyers with a disability. Non-profit organizations, local governments, and Public Housing Authorities (PHA) will be able to apply to CTED for HOME funds.

Allocation of HOME Funds

Tenant-Based Rental Assistance (TBRA).	30%
Home Repair and Rehabilitation Program (HRRP).	30%
Manufactured Housing Homeowner Assistance Program (MHHA).	6%
General Purpose (GP).	33%
American Dream Downpayment Initiative (ADDI)	Separate allocation

Geographic Allocation

CTED will distribute its HOME funds statewide, with some targeting for specific HOME activities:

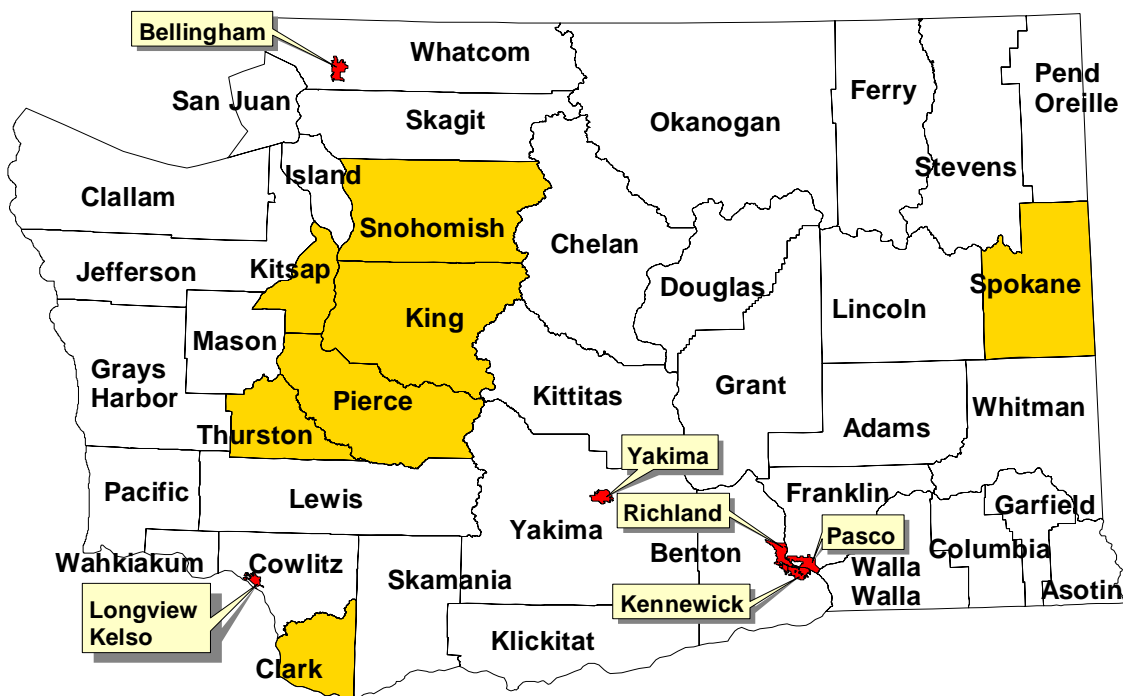
- Tenant-Based Rental Assistance (TBRA)- Funds will be targeted to households in areas of the state not served by local HOME participating jurisdictions (PJ).
- Home Repair and Rehabilitation Program (HRRP) – HRRP funds are first allocated on a formula basis to agencies serving non-participating jurisdictions (i.e. jurisdictions not receiving HOME funds directly from HUD). Agencies that include Participating Jurisdictions (PJ) within only part of their service area are eligible to receive a formula allocation; however, the allocation is based upon the proportion of low-income households located only within the non-PJ portion of their service area and the funds may only be used in the non-PJ area.

Part II Program Action Plans

Recaptured funds may be made available to other weatherization providers serving both non-PJ and PJ portions of their service areas. At least eighty-percent (80%) of funding will be allocated to agencies serving non-PJ areas.

- General Purpose (GP) - Funds will be awarded to projects statewide, including those located in local HOME PJ and CDBG entitlement jurisdictions.
- Manufactured Housing Homeowner Assistance - Funds will be awarded statewide, including those households located in local HOME PJ and CDBG entitlement jurisdictions.
- American Dream Downpayment Initiative - Funds will be awarded statewide, including those households located in local HOME PJ and CDBG entitlement jurisdictions.

Map II-1: HOME Program Participating Jurisdictions (PJs)



There is strong support to maintain the state's flexibility to use HOME resources, or any other state or federal resources, to effectively meet the unique and critical needs of communities across our state.

Priorities

CTED has not identified any low priority activities because it would limit the state's ability to address the particular market conditions of communities within the state. The economic and social conditions among counties and regions can vary widely. We need to be careful of relying on a "one size fits all" approach because what works for a dense, urban county may not work for a rural county in eastern Washington. This is a message that is consistently heard in community meetings. There is strong support to maintaining the state's flexibility to use HOME resources, or any other state or federal resource, to effectively meet the unique and critical needs of communities across our state.

While low priority activities are not identified, information collected during the housing needs assessment process and from the public participation meetings also pointed out the critical needs of extremely low-, very low-income households, special needs populations, and people who are homeless. There was general agreement that more effort was needed to address the needs of people who are homeless and people with special needs (i.e. chronically mentally ill, alcohol or chemically dependent, developmentally disabled, etc.).

To ensure the effective use of limited federal funding, the following priorities are established to guide the use of HOME funds.

Priority #1: Give priority to activities serving very low-income renter and homeowner households earning 50 percent (50%) of median income or less.

- Accordingly all HOME programs prioritize households earning 50 percent (50%) of median income or less.
- Recognizing the needs of very low-income renter households who are cost burdened, sixty-six percent (66%) of the HOME allocation is designated to the TBRA and GP programs.
- The balance of available HOME funds are awarded to very low-income homebuyers and existing homeowners, via the HRRP and MHHP programs.

Priority #2: Target HOME GP resources to permanent, transitional and supportive housing projects serving people who are homeless or who have special needs and have incomes at or below 30 percent (30%) of the local area median income.

Priority #3: Target HOME resources to supplement ADDI funds so that low-income special needs households can purchase their first home, as they generally require more than \$10,000 in assistance as allowed by ADDI.

No additional priorities are established for ESG or HOPWA as these programs have modest funding levels and the specific use of these resources has been determined at the local level, which has worked well in the past.

Performance Measures

The HOME, ESG and HOPWA programs collect and assesses data to measure how the funds contribute to the accomplishment of the CTED 2007-2013 Strategic Plan goals and HUD's Statutory Program Goals:

CTED Strategic Plan Goals

1. Build livable, vibrant communities that meet the economic, environmental and social needs of their citizens.
2. Prepare the State to compete in a global marketplace.
3. Move low-income and vulnerable families to self-sufficiency.
4. Improve the health and safety of communities and families.
5. Provide bold leadership and exceptional service.

HUD Statutory Program Goals

CTED's goals are consistent with and support the following HUD goals identified in Title 1 of the Housing and Community Development Act of 1974 (as amended):

1. Decent housing
2. A suitable living environment
3. Expanded economic opportunity

Beginning in 2007, HUD requires that each HOME, ESG and HOPWA-funded activity address at least one of the HUD Statutory goals and one of the following objectives:

1. Availability/accessibility
2. Affordability
3. Sustainability

To comply with HUD's new performance measurement system for the first year of implementation, the HOME ESG and HOPWA programs will do the following:

1. Link the relevant HUD goal and objective,
2. Identify the applicable HUD Outcome Statement for each funded activity based on the type of project, as described in the following table and
3. Report activity in HUD's IDIS system and in the 2007 CAPER:

Type of Project	HUD Objective/Outcome Statement
HOME GP – construction, rehabilitation and/or acquisition of rental housing targeted to homeless and/or special needs persons	Objective #2: Decent Housing Outcome #2: Affordability
HOME HRRP – repair and rehabilitation of very low- income, owner-occupied, single-family housing	Objective #2: Decent Housing Outcome #2: Affordability
HOME – TBRA – provide rental assistance to very low-income households, with a priority for homeless persons and families	Objective #2: Decent Housing Outcome #2: Affordability
HOME – MHHA – rehabilitate or replace manufactured housing and acquire land for siting of new or relocated manufactured housing	Objective #2: Decent Housing Outcome #2: Affordability
ADDI – provide downpayment assistance for first-time homebuyers	Objective #2: Decent Housing Outcome #2: Affordability
ESG – provide operating support and essential services for emergency shelters	Objective #2: Decent Housing Outcome #2: Suitable Living Environment
HOPWA-provide rental assistance, support services and other HOPWA-eligible assistance to persons with AIDS	Objective #2: Decent Housing Outcome #1: Availability/Accessibility

Data on specific performance indicators, as defined by HUD, will be collected for each project selected for funding. To collect the applicable indicator data and meet the HUD performance measures system requirements, CTED will implement the following changes:

Establish performance measurement data collection systems for each program to directly integrate with HUD's Integrated Disbursement Information System (IDIS), including, as necessary:

- Revised application forms
- Revised contracting documents
- Revised project closeout forms

HOME, ADDI, ESG, and HOPWA programs are beginning to collect the data to meet HUD's new performance measurement system. The data collected regarding the award of 2007 HUD funds will be reported in CTED's 2007 Consolidated Annual Performance Evaluation Report (CAPER), which is scheduled to be available to the public and submitted to HUD in March 2008.

Home Repair and Rehabilitation Program (HRRP)

Activity:

HOME dollars will be used in conjunction with state, private, and federal weatherization and rehabilitation funds to perform:

- Energy efficiency, health, and safety improvements.
- Minor home repair to moderate rehabilitation.
- Substantial rehabilitation.

Eligibility:

- Single-family, owner-occupied dwellings.
- Owners' incomes may not exceed 50 percent (50%) of the median income for their area.
- Property values after rehabilitation may not exceed 95 percent (95%) of the area's median purchase price.

Standards: Upon completion, each project must meet the HRRP Rehabilitation Standards established by CTED, except when an eligible household has an emergent need, such as a broken or leaky water heater, and the service provider:

- Must postpone complete repair and weatherization service to a later date; or
- The client's home has been previously served for energy efficiency and repair and it already meets HRRP Rehabilitation Standards.

Minimum rehabilitation investment will be \$1,000 and maximum will be \$40,000. Occasional substantial rehabilitation is allowed. An additional amount of up to \$5,000 may be spent to test for and mitigate asbestos hazards. Also, up to \$10,000 may be used to test for and perform interim control of lead-based paint hazards and up to \$15,000 may be used to abate these hazards. The objective of this program is to coordinate moderate rehabilitation and energy conservation to better meet the needs of low-income households in a cost-effective manner.

HRRP Fund Distribution: Only existing weatherization providers (community action agencies, housing authorities, and local governments) will be eligible to apply for these grants. At least 80 percent (80%) of HRRP funds will be allocated by formula to weatherization providers not located within participating jurisdictions. Any remaining funds may be made available on a competitive basis to all weatherization providers; however, preference will be given to agencies in non-participating jurisdictions. Recaptured funds may be made available to other weatherization providers serving both non-PJ and PJ portions of their service areas. At least eighty-percent (80%) of funding will be allocated to agencies serving non-PJ areas.



Angle Lake Court (Senior Housing)
SeaTac, Washington
A HOME Project

Photo Courtesy Housing Division/CTED

Recaptured HRRP Funds: CTED may make any recaptured de-obligated amounts from HRRP contractors available to other contractors as soon as possible after the funds have been returned. There are two criteria for the distribution of recaptured funds: (1) the extent to which the applicant demonstrates an immediate need for housing rehabilitation assistance in their service area, and (2) the extent to which the applicant can demonstrate the ability to use the funds promptly.

Tenant Based Rental Assistance

Activity: The Tenant Based Rental Assistance (TBRA) Program will provide rental assistance and/or security/utility deposit assistance to households at 50 percent (50%) or less of median income. A priority for funding is homeless individuals and families. Projects serving homeless households will receive bonus points in the competitive funding process. Applicants may propose to serve other populations in need and will be required to provide appropriate needs assessment information.

Eligible Applicants: Eligible applicants are units of local government, public housing authorities and nonprofit community-based organizations. Applicants must have recent experience administering a state or federally funded rental assistance program, or may contract with an experienced organization or technical assistance provider to administer the program. However CTED will ensure that applicants have the overall organizational capacity to effectively provide services to evacuee households.

Eligible Clients: Eligible clients are individuals or families whose incomes are at or below fifty percent (50%) of the median household income (as determined by HUD) for the county or standard metropolitan statistical area where the program is located.

Payments: Rental assistance will be provided through an assistance contract between the property owner and the TBRA contractor and a rental lease between the property owner and the assisted client household.

Monitoring: CTED will monitor the progress of the program through data and documentation collected in the monthly vouchering process, periodic program reports, and periodic on-site monitoring visits to each TBRA contractor.

Contract Terms: The term of the rental assistance contract with an eligible client will not exceed 12 months. The contract will begin on the first day of the term of the lease and will terminate on the last day of the lease or September 30, whichever occurs first. All leases must comply with the requirements specified in section 92.253 of the federal rules (24 CFR Part 92).

Rent Reasonableness: TBRA contractors will be required to certify that rents are reasonable before they approve a household's unit for rental assistance according to the Code of Federal Regulations, 24 CFR 882, 106 (b), and Chapter 6-5, HUD handbook 7420.7, Public Housing Agency Administrative Practices Handbook for the Section 8 Existing Program.

Maximum Subsidy Amounts and the Rent Standard: The monthly housing assistance payment paid on behalf of a household may not exceed the difference between the rent standard for the unit size established by the TBRA contractor and 30 percent (30%) of the household's adjusted monthly income. The rent standard may not be less than 80 percent (80%) of the published Fair Market Rent (FMR) for the unit size in the administering agency's area, or more than the FMR for the area.

Housing Quality Standards: Housing units occupied by an individual or family receiving rental assistance must comply with the Housing Quality Standards (HQS) performance and acceptability criteria set forth in Section 982.401 including lead-based paint requirements. Each unit must be inspected when a new client household moves in.

Fund Distribution: Funds will be awarded through a competitive application process. Applicants will have the flexibility to design their programs provided they are in compliance with the requirements of the HOME Investment Partnerships Program Final Rule 24 CFR Part 92 and with any priorities and additional requirements specified by CTED.

Recaptured Funds: Any recaptured funds will first be made available to other TBRA contractors and then added to the pool of funds distributed through the General Purpose application process.

General Purpose (GP)

Fund Distribution: HOME GP funds will be used for multiple purposes. The funds will be used for the new construction, rehabilitation and/or acquisition of rental housing projects categorized as permanent, transitional and/or supportive housing projects serving people who are homeless or who have special needs and have income at or below thirty percent (30%) of the local median income (AMI). HOME GP funds will also be used to preserve and/or develop manufactured housing communities that include households at or below fifty percent (50%) of the local AMI.

- Funds will be distributed beginning in the early 2007.



**Next Step Housing
Somerset Apartments
Spokane, Washington
(A HOME Program)**

Photo Courtesy Housing Division//CTED

- Award of funds to homeless and special needs projects will be coordinated with the state-funded Homeless Grant Assistance Program (HGAP). CTED's intent is to use an RFP process to award the funds for manufactured housing community preservation and development projects.
 - Evaluation criteria will include: needs of target population; project design and financial feasibility and organizational capacity.
 - CTED will work closely with local governments to identify local housing needs and coordinate the targeting of local and CTED resources to address such needs.
 - CTED will use an RFP process to award GP funds for the development of affordable housing projects.
 - HOME GP funds will be used for grants and/or deferred loans, and will be administered directly by the local government, housing authority, or non-profit receiving the funds.
 - CTED will be responsible for approval of all project draws through the certification of signed progress reports, building official inspections, or architect certificates of completion.

Recaptured funds: Any General Purpose funds recaptured by CTED will be added to the pool of funds available through the application process noted above.

Minimum requirements:

- Minimum length of commitment will be 40 years, secured by a restrictive covenant.
- All units will meet, at a minimum, HQS, rehabilitation standards (as applicable), Americans with Disabilities Act (ADA) requirements, applicable Section 504 and Fair Housing Act requirements, and all applicable local codes, ordinances, and zoning codes.
- Newly constructed housing will meet Washington State Energy Code, which is more restrictive than the Model Energy Code.
- The amount of HOME funds that may be invested on a per-unit basis may not exceed the per-unit maximum HOME subsidy limits.

Community Housing Development Organizations

Activity: CHDOs will use HOME funds for HOME-eligible housing they develop, sponsor, or own. HOME GP funds will be used to meet the 15% HOME set aside requirement.

Role of CHDOs: Community Housing Development Organizations will play a strong role in the HOME program. Washington State is fortunate to have a significant number of nonprofit housing developers who meet the CHDO requirements, including a network of community action agencies throughout the state. CTED certified

14 non-profit developers as CHDOs in 2006. CTED will continue its solicitation efforts during the 2007 program year.

Manufactured Housing Homeownership Assistance (MHHA) Program

Activity:

HOME funds will be used in partnership with the state Mobile Home Relocation Assistance program funds to increase safety and improve the quality of manufactured homeownership in Washington. HOME funds will rehabilitate manufactured homes, acquire land for a home site for manufactured homes and replace an existing substandard manufactured home with a new or standard manufactured home.

Eligibility:

- Existing low-income manufactured home owners eligible for Relocation Assistance who are dislocated due to a change in land use.
- Single family, owner-occupied manufactured homes.
- Low-income homeowners being dislocated due to safety and health reasons receive priority.
- After rehab value will not be more than 95 percent (95%) of the median purchase price for the area.
- Homebuyers' willing to ensure the home serves as the primary residence for 5 – 15 years.

Payments:

Individual clients will be referred from the existing Mobile Home Relocation Assistance program.

Administration:

Assistance will be distributed directly to homeowners based upon verified low-income criteria from the relocation assistance program depending upon individual financial need and condition of the home. This will be a pilot project administered in conjunction with the state Mobile Home Relocation Assistance program regulations. CTED staff will manage the program and establish internal regulations, procedures and public information for distribution to homeowners. HOME funds will be used to fill an existing gap for low-income homeowners who are eligible for relocation costs that do not include home upgrades such as electrical, roof repairs, foundation repairs, etc. In addition, relocation assistance funds may provide down payment assistance but are insufficient to fund site improvements or land purchase.

American Dream Downpayment Initiative (ADDI) Program

Activity: ADDI funds will be used for downpayment assistance towards the purchase of single-family housing for first-time homebuyers. Other eligible activities include rehabilitation that is completed in conjunction with a home purchase assisted with ADDI funds, including the cost of reducing lead paint hazards and remediating other health hazards.

Fund Distribution:

- FFY 2007 ADDI funds will be awarded to the Washington State Housing Finance Commission (WSHFC). The funds will be administered by the WSHFC as part of its homeownership program.
 - The funds will be used by the WSHFC to assist first-time homebuyers with incomes at or below 80 percent (80%) of the median household income. Such households may include a household member(s) who is (are) disabled.
 - The WSHFC will be required to administer these funds in accordance with 24 CFR 92.254 including choosing a resale or recapture option that meets all federal requirements.
- The amount of ADDI assistance provided to any low-income household cannot:
 - Be less than \$1,000 or
 - Exceed the greater of six percent (6%) of the purchase price of a single family home or \$10,000.
- ADDI funds may be supplemented, dollar for dollar (up to the greater of six percent (6%) of the purchase price or \$10,000 per household), with other HOME funding. Additional HOME funds, not to exceed HOME subsidy limits, may be awarded, on a case-by-case basis, to encourage targeting to extremely low-income, special needs households.

Geographic Allocation: Funds will be awarded to projects statewide, including those located in local HOME PJ and CDBG entitlement jurisdictions.

Targeted Outreach Plan: As a condition of award of ADDI funds, the WSHFC will be required to develop and implement a plan for conducting targeted outreach to residents and tenants of public and manufactured housing, and to other families assisted by public housing agencies to ensure that ADDI funds can be accessed by such families.

Actions to Maintain Homeownership: As a condition of award of ADDI funds, each contractor will be required to provide homebuyer training and counseling designed to ensure the ability of prospective homebuyers to undertake the purchase of their first home and to maintain their home.



Cascadia Village
By Affordable Community Environments
Vancouver, Washington
A HOME project

Photo Courtesy Housing Division/CTED

Affirmative Marketing Procedures

Subsection 92.341 of the HOME regulations requires affirmative marketing of the housing units assisted with HOME funds. CTED will extend this requirement to all rental units assisted, not just developments of five units or more.

As part of the application process for HOME funds, each proposal must describe the methods of affirmative marketing that will be undertaken as part of the HOME-assisted project.

CTED will take the following actions to provide information and otherwise attract eligible persons from all racial, ethnic, and gender groups in housing market areas to housing that is assisted by the HOME program funding.

All correspondence, notices, and advertisements related to HOME funds will contain either the Equal Housing Opportunity logo or slogan.

CTED will require participants in the HOME program to use affirmative fair housing marketing practices in soliciting renters or buyers, determining their eligibility, and concluding all transactions. Any HOME-assisted housing must comply with the following procedures for the duration of the applicable compliance period:

- Project sponsor advertising of vacant units must include the Equal Housing Opportunity logo or statement. Advertising media may include newspapers, radio, television, brochures, leaflets, or may involve simply a sign in a window.
- The project sponsor will be required to solicit applications for vacant units from persons in the housing market who are least likely to apply for HOME-assisted housing without benefit of special outreach efforts, including placing advertisements in minority-specific media.
- The project sponsor must maintain a file containing documentation of all marketing efforts (copies of newspaper ads, memos of phone calls, copies of letters, etc.). Records to assess the results of these actions must be available for inspection by CTED.
- The project sponsor must maintain a listing of all tenants residing in each unit at the time of application submittal through the end of the compliance period.
- CTED will assess the affirmative marketing efforts of the project sponsor by comparing predetermined occupancy goals (based upon the area from which potential tenants will come) to actual occupancy data that the project sponsor is required to maintain. Outreach efforts on the part of the owner will also be evaluated by reviewing marketing efforts. Corrective action will be required of project sponsors if affirmative marketing requirements are not followed.

Minority and Women Owned Business Outreach

Title 24 of the Code of Federal Regulations [Subpart H, Subsection 92.351 (b)(5)] requires the encouragement and use of minority and women-owned business enterprises in the implementation of HOME program activities.

Executive Orders 11625, 12432, and 12138 will provide the basis for the state of Washington's outreach and monitoring efforts to ensure that minority and women-owned enterprises are used to the greatest extent possible to provide services, materials, contractors, and other affiliated professions and occupations associated with all HOME-supported programs.

CTED will require funded applications, by contractual language, to undertake direct affirmative outreach measures to ensure the greatest possible opportunity for minority and women-owned businesses to compete for contracts within each phase of a HOME-funded project. This will include, but not be limited to, realtors, appraisers, lenders, architects, contractors, and property management firms. The current listing of certified minority and women-owned businesses is readily available from the state's Office of Minority and Women's Business Enterprises. This listing will include all project-specific relevant professions and occupations within the geographic region where the project will be implemented.

Examples of bid advertisements and notices will be provided to HOME project sponsors to ensure ease of implementation and consistency of approach in the outreach efforts. Project sponsors will be encouraged to place advertisements in minority- and women-specific media whenever possible.

To maintain statistical data on outreach, use and participation of minority and women-owned businesses as contractors and subcontractors in HOME-assisted projects, sponsors will be required to identify firms contacted, bids received, contracts let, and dollars provided to such firms. Each HOME project sponsor will be provided the format for such reports to ensure consistency and ease of monitoring.

Every HOME contractor will be monitored and evaluated at contract closeout for this information as well as the associated back-up files and documentation. In addition, CTED will reserve the right to conduct on-site inspections and interviews to confirm the use of minority and women workers during the course of project completion.

2007 Emergency Shelter Grants Program

Currently CTED is evaluating its Emergency Shelter Program. There are two funds sources for this program, the state Emergency Shelter and Assistance Program (ESAP) and the ESG program. One of the considerations for the ESG program is how funds will be distributed. Until last year, the funds were distributed by formula. In 2006, CTED held a competitive process to make award determinations.

It is anticipated that we will have a decision by the end of 2006 and will propose a revised allocation process in early January. At that time we will conduct public outreach via email, mail, and public notices to announce a public hearing and upcoming comment period. Based upon the outcome of this process, CTED will request an amendment to the Action Plan at that time.

Allocation of Funds

The Emergency Shelter Grants Program (ESG) funds will be made available to areas that are not directly allocated ESG funds by HUD. The unit of general local government in which the proposed activities are to be located must certify that it approves the application and the proposed activities must be for eligible activities.

The estimated Federal Fiscal Year 2007 allocation to Washington State will be approximately \$1,582,000. Applications will be solicited from all the eligible areas.

State ESG Eligible Areas

The eligible areas are all cities and counties in the state of Washington that do not receive an ESG allocation directly from HUD. This also includes the cities of Auburn, Bellevue, Everett, Federal Way, Kent, Lakewood, Renton, and Shoreline.

This excludes the City of Seattle, City of Tacoma, City of Spokane, Snohomish County, King County and Pierce County.

To reduce the abrupt funding changes that a switch to a pure poverty/unemployment funding formula would cause, the formula may also be adjusted to limit the percentage change in funding from the previous year. This will reduce the disruptions that would be caused by sudden funding changes.

Application Requirements

All applicants must have a Continuum of Care plan in place or have started to develop a plan in order to receive ESG funds. Each applicant will need to submit an application that describes the types of activities that will be undertaken, the agencies who will provide

services, and the budget for each participating agency. Each application will need to contain the following information:

- A clear statement of need for the use of allocated funds.
- An explanation of how proposed activities are consistent with the Continuum of Care plan.
- A clear description of activities, a cost-effective budget and a schedule.
- A list of program outcomes for each component or activity.
- The most recent audit for the lead agency contractor.

CTED will reserve the right to reduce or to redistribute a county's allocation, if insufficient information is provided in the application, ineligible activities are proposed, or if the lead agency contractor lacks a demonstrated capacity to administer the ESG contract.

Eligible Activities

In an effort to integrate the state ESAP and the ESG, the use of ESG funds will be limited to providing operating support and essential services for emergency shelters. Since homelessness prevention services may be provided by ESAP and capital projects may be funded by the state's Housing Trust Fund program, the greatest need for ESG resources has been to provide operating support and services for emergency shelters. Applicants may choose to fund one activity or a combination, depending on the priorities in their local Continuum of Care plan.

Grant Awards

CTED will award grants and make funds available to approved applicant organizations within 65 days of HUD's approval of Washington State's application. Eligible applicant organizations are non-profit organizations, a public housing authorities or local governments serving as an ESG lead agency contractor for the county. As the lead agency, the contractor will pass funds through to participating agencies in the county to provide eligible housing and homeless services. Participating agencies must be non-profit organizations, public housing authorities or local governments.

Recaptured Funds

CTED will make any recaptured amounts available to state ESG-eligible areas as soon as possible after funds have been returned. There are two criteria for the distribution of recaptured funds:

- 1) The extent to which the applicant demonstrates an immediate and critical need for assistance in serving the homeless.
- 2) The extent to which the applicant can demonstrate the ability to use the funds promptly.

Eligible HOPWA project sponsors are non-profit organizations, public housing authorities or local governments.

2007 Housing Opportunities for Person's with AIDS Program (HOPWA)

Allocation of Funds

Funding will be distributed to Washington State's Regional AIDS Service Networks (AIDSNET) regions based on the number of surviving AIDS cases in each county as reported by the Department of Health. CTED will reserve the right to adjust or redistribute a region's allocation if ineligible activities are proposed, insufficient information is provided in the application, or if an appropriate lead agency is not identified to administer the HOPWA contract in the local area. Counties that already receive HOPWA funds directly from HUD, will not receive any funds from CTED's HOPWA allocation.

AIDSNET Regions

The Department of Health funds and supports HIV prevention services through a system known as AIDSNETs. The AIDSNETs, in cooperation with local health departments/districts and community organizations within the regions provide the following:

- 1) Together with the affected community, develop plans for HIV prevention and care services;
- 2) Provide HIV counseling, testing and partner notification services;
- 3) Conduct disease control activities as required by law;
- 4) Offer HIV prevention education and other interventions, such as needle-exchange programs, especially for those at highest risk of disease; and
- 5) Provide case management services.

While HOPWA funds are distributed by AIDSNET region, the AIDSNET coordinators are not involved in the administration of funds, although they are aware of the program. Instead, a sponsor with experience in housing is chosen in each region to administer the funds. The AIDSNET Coordinators have received information on the program funding allocation process along with information about the lead agency and activities in their region. They provide comments on the activities and administration of the program, as needed.

Recaptured Funds

CTED will make any recaptured funds available to units of local government or non-profit organizations in non-formula areas as soon as possible after the funds have been returned. There are two criteria for the distribution of recaptured funds: (1) the extent to which the applicant demonstrates an immediate need for assistance in serving persons with HIV/AIDS or related diseases and their families; and (2) the extent to which the applicant can demonstrate the ability to use the funds promptly. In addition, priority is given to organizations in the region the money is returned from.

There are two criteria for the distribution of recaptured funds:

- 1) The extent to which the applicant demonstrates an immediate need for assistance in serving the homeless; and
- 2) The extent to which the applicant can demonstrate the ability to use the funds promptly.

Geographic Network

Service providers in each AIDSNET region will be responsible for collaborating in the selection of a lead agency for their region. The lead agency will organize a local process to decide how the regional HOPWA allocation will be used and which project sponsors will be selected to provide services. CTED will contract with the designated lead agency that will be responsible for passing funds through to the local project sponsor. Eligible project sponsors are non-profit organizations, public housing authorities or local governments.

Eligible Activities

Eligible activities will be all those allowable under the HOPWA guidelines, including facilities and community residences, rental assistance, short-term payments to prevent homelessness, technical assistance, supportive services and other activities, subject to the standards and limitations provided in the regulations at Rule 574.300(b).